

WEIL, GOTSHAL & MANGES LLP
Ray C. Schrock, P.C. (*pro hac vice*)
(ray.schrock@weil.com)
Jessica Liou (*pro hac vice*)
(jessica.liou@weil.com)
Matthew Goren (*pro hac vice*)
(matthew.goren@weil.com)
New York, NY 10153-0119
Tel: (212) 310-8000
Fax: (212) 310-8007

*Attorneys for Debtors and
Reorganized Debtors*

KELLER BENVENUTTI KIM LLP
Tobias S. Keller (#151445)
(tkeller@kbbkllp.com)
Peter J. Benvenutti (#60566)
(pbenvenutti@kbbkllp.com)
Jane Kim (#298192)
(jkim@kbbkllp.com)
650 California Street, Suite 1900
San Francisco, CA 94108
Tel: (415) 496-6723
Fax: (650) 636-9251

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

** ALL PAPERS SHALL BE FILED IN THE
LEAD CASE, NO. 19-30088 (DM).*

Case Nos. 19-30088 (DM) (Lead Case)
(Jointly Administered)

**DECLARATION OF HAL SMELTZER IN
SUPPORT OF REORGANIZED DEBTORS'
OPPOSITION TO MOTION TO
ALLOW/DEEM TIMELY LATE FILING
OF PROOF OF CLAIM BY CSAA
INSURANCE EXCHANGE**

Date: October 28, 2020
Time: 10:00 a.m. (Pacific Time)
Place: **(Telephonic or Video Only)**
United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

1 I, Hal D. Smeltzer, hereby declare that the following is true and correct to the best of my
2 knowledge, information, and belief:

3 1. I am a Senior Claims Investigator in the Law-Claims Unit of the Law Department of
4 Pacific Gas and Electric Company (“PG&E”). I submit this Declaration in support of the *Reorganized*
5 *Debtors’ Opposition to Motion to Allow/Deem Timely Late Filing of Proof of Claim by CSAA Insurance*
6 *Exchange* (the “**Opposition**”),¹ filed contemporaneously herewith.

7 2. My duties at PG&E include investigating and evaluating claims asserted against PG&E
8 by customers and others and attempting to negotiate a settlement of those claims where appropriate. I
9 have 27 years of experience in this position at PG&E, and over that time have been personally involved
10 in investigating and resolving over 9,000 claims. In the course of my duties, I was assigned responsibility
11 for investigating the fire at the property at 24257 Sugarpine Drive, Sugarpine, California that is the
12 subject of the Motion (the “Sugarpine Property”).

13 3. Except as otherwise indicated herein, all facts set forth in this Declaration are based upon
14 my personal knowledge, the knowledge of other PG&E Claims personnel working under and alongside
15 me on this matter, my discussions with the PG&E personnel, PG&E’s various other advisors and counsel,
16 and my review of relevant documents and information prepared by PG&E. If called upon to testify, I
17 would testify competently to the facts set forth in this Declaration.

18 4. On January 17, 2019, a fire occurred at the Sugarpine Property. I investigated the fire the
19 same day. During a severe windstorm, a huge (100-plus foot tall) tree was uprooted by the wind and fell
20 across PG&E power lines located approximately 60 feet away on the opposite side of the street. As a
21 result of the damage to the power lines, a nearby transformer serving four dwellings failed. One – the
22 Sugarpine Property – caught fire. My preliminary evaluation was that the immediate cause of the fire
23 was faulty wiring, or faulty grounding of the wiring, in the Sugarpine Property, which made it incapable
24 of withstanding a power surge from the transformer triggered by the tree falling across PG&E’s
25 distribution line, and that as a result PG&E was not responsible for the loss or was, at most, only partially
26 liable.

27 _____
28 ¹ Capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in
the Opposition.

1 5. On July 8, 2019, Laura Young of CSAA sent an e-mail about the Sugarpine Property
2 incident to the PG&E Law-Claims group. Attached to Ms. Young's e-mail was a 'preliminary estimate'
3 of the damages to the Sugarpine Property. Debbie Whisenhunt of the Law-Claims unit initially received
4 the email, spoke with Ms. Young about it, and, because the incident had already been investigated by
5 me and occurred in territory that I am responsible for, referred the matter to me to respond to CSAA. To
6 the best of my knowledge, until receipt of Ms. Young's email, I was not aware that CSAA was the insurer
7 for the owner of the Sugarpine Property, nor was anyone else in the Law-Claims unit.

8 6. On July 9, 2019, I responded to Ms. Young by e-mail. A true and correct copy of this
9 e-mail to Ms. Young is attached hereto as **Exhibit A**. In this e-mail, I advised Ms. Young and CSAA of
10 PG&E's bankruptcy and that, because the Sugarpine Property incident occurred prior to the Petition
11 Date, CSAA would need to file a proof of claim in the Chapter 11 Cases in order to preserve and pursue
12 any claim relating to the incident. My email provided contact information for Prime Clerk, as well as a
13 link to the website managed by Prime Clerk that contained the necessary information any claimant would
14 need to file a proof of claim.

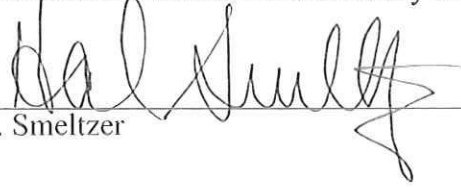
15 7. On November 26, 2019, I received a voicemail from Jason Calvert of CSAA following
16 up on a demand letter. I believe the "demand letter" referred to Ms. Young's July 8 email, as to the best
17 of my recollection that is the only prior written communication that I received from Ms. Young or anyone
18 else at CSAA relating to the Sugarpine Property or any losses associated with it. Mr. Calvert informed
19 me Ms. Young was handling the claim for CSAA and asked that I contact her at the phone number he
20 provided. I called Ms. Young the same day and reached her voicemail. I left a voicemail message for
21 her informing her that CSAA's claim was subject to PG&E's bankruptcy, and that CSAA had to file a
22 claim in the Chapter 11 Cases; and if it had failed to do so CSAA possibly lost its chance to recover from
23 PG&E.

24 8. I did not receive any communications about the Sugarpine Property or related claims after
25 November 27, 2019, from anyone on behalf CSAA until July 20, 2020, when I was notified we had
26 received a letter from a law firm representing CSAA, dated July 2, 2020 – two days after PG&E emerged
27 from bankruptcy, and requesting PG&E to retain evidence regarding the Sugarpine Property incident.
28

1 I declare under penalty of perjury, as set forth in 28 U.S.C. § 1746, that the foregoing is true and
2 correct to the best of my knowledge, information, and belief. Executed this 21st day of October, 2020,
3 in Fresno, California.

4 /s/

Hal D. Smeltzer

A handwritten signature in black ink, appearing to read 'Hal D. Smeltzer', written over a horizontal line.